

MICROENTERPRISE ASSISTANCE

Eligible Activities

Grantees may use CDBG funds to facilitate economic development through the establishment, stabilization and expansion of microenterprises. (24 CFR 570.201(o))

This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. It also establishes the provision of:

- ✓ Technical assistance to a new or existing microenterprise or to assist the establishment of a microenterprise or to persons developing a microenterprise, and
- ✓ General support to owners of microenterprises or to persons developing a microenterprise.

Definitions:

"Microenterprise" means a business having five or fewer employees, one or more of whom owns the business.

"Person developing a microenterprise" means any person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a microenterprise at the time it is formed.

Complying with National Objectives – Microenterprise Assistance

Applicants for microenterprise assistance must meet one or more of the following criteria:

- A. Eligibility for low- to moderate-income (LMI) entrepreneur

OR

- B. Eligibility for job creation. 51% of the total number of new jobs must be filled by LMI persons. All jobs should be suitable for and made available to low- and moderate-income individuals, with preference going to Murfreesboro residents. Submit a statement about the jobs you intend to create including a description of the position, the required qualifications, the projected salary and the estimated timeframe for filling each job.

OR

- C. Eligibility for LMI area benefit. The business assisted provides services to a residential area in which 51% or more of the residents are low- or moderate-income persons.

Records to be Maintained – Job Creation

When assistance is provided to a business for the purpose of creating or retaining jobs, the grantee must have on file a written agreement with the business in which that business

agrees to keep or create a specific number of jobs and identifies each such job by type and whether the job will be full- or part-time. The agreement must also specify the actions the business and the grantee will take to ensure that at least 51% of the jobs created or retained will benefit L/M income persons pursuant to the program rules.

The program records also must also document which jobs were actually created and retained, whether each job was held by, taken by, or made available to a L/M income person, and the full-time equivalency status of each job.

Held by:

With respect to jobs which will be held by L/M income persons, the records must show:

- ❖ A listing by job title of the specific jobs to be created,
- ❖ A listing by job title of the jobs filled,
- ❖ The name and income status of the person who filled each position, and
- ❖ The full-time equivalency status of the jobs.

Available to:

Where the job was not taken by a L/M income person, but the grantee nevertheless wants credit based on the job being made available to L/M income persons, the record must show:

- ❖ The title and description of the jobs made available, and the full-time equivalency status of the job at that time;
- ❖ The prerequisites for the job; special skills or education required for the job, if any; and the business commitment to provide needed training for such jobs (and the training that the business provided to the L/M income person hired, if applicable); and
- ❖ How first consideration was given to L/M income persons for the job, such as:
 - The name(s) of the person(s) interviewed for the job and the date of the interview(s), and
 - The income status of the person(s) interviewed.

For created jobs, the benefit is intended for persons who are L/M income prior to being hired. For retained jobs, the family must be L/M income at the time the job is retained.